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## APPENDIX I -

### FINANCIAL ADMINISTRATION

#### Lakes, Rivers, and Aquatic Invasive Species (AIS) Control Grant Programs

The following information will provide you with guidance to manage the financial assistance you are receiving and help in filling out the forms for the Lakes, Rivers and AIS Grant Programs. ***Read your grant agreement carefully and share it with your consultant(s). It contains conditions that govern your project.***

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Rev. 9-15

<b>Project Grant Awards</b>	You have received a signed grant agreement from the Department outlining the approved project scope, time period, and budget. Your authorized representative should sign one copy of this grant agreement and return it to your regional Environmental Grant Specialist (EGS) within 30 days of the award date.
<b>Grant Agreement Effective Dates</b>	Note the start date and end date of your grant agreement. For Early Detection and Response grants (a subset of the AIS program), work can commence after you receive confirmation from your Lake/AIS/River Coordinator. All grants expire on either June 30 or December 31 of the given year.
<b>Caution!</b>	<b>Costs incurred prior to the starting date listed on the grant agreement will not be eligible for reimbursement.</b>
<b>Changes to the Grant Agreement (Amendments)</b>	Any changes to the grant agreement project activities (scope), time period, or budget must be requested in writing and submitted to the regional Environmental Grant Specialist <b>before</b> the grant agreement expiration date. Contact your regional Environmental Grant Specialist to discuss your situation before submitting a request.
<b>Change to the Project Scope</b>	Requests for an amendment to the scope of the project must be consistent with the project activity outlined in the original grant agreement. Changes in the agreement will not be made if the nature of the change substantially alters the scope of the project activity. Changes in the scope of the agreement that increase the amount of cost sharing are subject to availability of funds and may not exceed the maximum state share amount established by law.
<b>Changes to the Project Costs</b>	In rare circumstances, requests to amend project costs may be approved when project activity costs are higher than estimated or when a work activity is expanded. Cost amendment consideration is based on available program funds. Cost sharing shall not exceed the maximum state share amount established by law. Contact your regional Environmental Grant Specialist to discuss your situation before submitting a request.
<b>Changes to the Grant Agreement Time Period</b>	Projects must be completed prior to the expiration date indicated in the grant agreement. If there is the possibility that a project won't be completed by the expiration date, we recommend that you request an extension. Requests to extend the term of the grant agreement must be made prior to the project expiration date listed on the agreement.

If the requested change is approved, the Grantee will receive an amendment to the original grant agreement signed by the Department. The Grantee must also sign/date and return the amendment to the DNR in order for the amendment to be effective.

**Financial  
Administration  
During the Project  
Sponsor's  
Responsibilities**

Accounting procedures and fiscal controls used to record project costs and state grant receipts must be based on generally accepted accounting principles.

**Grantees must:**

- Establish a separate ledger for project expenditures.
- Itemize all project expenditures in sufficient detail to indicate the exact nature of the expenditure and maintain a copy of the expenditure in your files (e.g., a copy of a canceled check). If your bank does not return canceled checks, a copy of the bank statement is acceptable and should be placed in the project file.
- Comply with all local and state bidding requirements. (You may need to consult with your attorney to ensure that you are in compliance with all applicable laws regarding competitive bidding and awarding bids.)
- All supporting documentation must be labeled with the grant project number (e.g., AEPP-368-13, LPL-1484-13, RP-243-13 – the grant project number is listed on the grant agreement to the right of the sponsor name).
- Maintain payroll vouchers for salaries and wages. If payroll vouchers are not used, a statement must be prepared at the end of each pay period showing the names of employees, the hours spent on the project, project activities undertaken during the pay period, and the gross amount of salary earned by each employee. The statement must be verified by the official responsible for the project and approved by appropriate authority. All time associated with the project needs to be clearly documented.
- Report expenditures on Grant Payment Worksheets (DNR Form 8700-002).

**Local Share  
(Sponsor “match”)**

The local share of the project cost (also called sponsor “match”) may include the substantiated value of donated materials, equipment, services, and labor subject to all of the following:

- All sources of local share donation shall be indicated at the time that grant application is submitted
- The maximum value of donated, non-professional labor shall be \$12.00 per hour
- The value of donated materials and professional services is established by market rates and documented by invoice. The local share may include:
  1. Professional supervision and administration staff time for the project, supported by Force Account Labor worksheets and summaries.
  2. The value of other professional services as established by market rates and documented by invoice.
- Special Requirements for Land Acquisition Projects: The fair market value of donated property to be used as match. Value of donated property is determined by appraisal provided by the grantee; appraisals are reviewed by the DNR for compliance with applicable administrative codes. Appraisals provided by sellers are not acceptable.

## Donated Equipment

The value of donated equipment is determined based on the Wisconsin Department of Transportation's (WI DOT) highway rates for equipment. If donated equipment does not appear on the WIDOT Classified Equipment Rates Standard and Special Rated Units document, the project sponsor shall determine value of donated equipment using one of the following methods:

1. Choose closest equipment equivalent from WDOT Highway rates list
2. Determine market rate – Project sponsor shall obtain at least three estimates for rental of item in question from vendors within the county. The lowest estimate will be used to establish the value of donated equipment. Copies of all estimates received must accompany your grant application and must also be maintained in the grantee's project file.

## Claims for Reimbursement

Claims for payment of project expenditures are made on a reimbursement basis (with the possible exception of escrow closing for fee simple or easement land acquisitions). To be eligible for reimbursement, all costs must:

- Be incurred within the project time period shown in the grant agreement
- Be associated with the scope of activity summarized in the grant agreement and detailed in the application approved to receive grant funding
- Not exceed the amount of state aid shown in the grant agreement

If a partial payment request is being sought, project progress report is also required for the period of time covered by the payment request.

Some grant programs allow submittal of quarterly reimbursement claims. Under these circumstances, the Department shall withhold 10% of the grant amount for the final payment for a lake protection, an aquatic invasive species, and a river management project.

No partial payments are possible for lake management planning and a river planning grant. See specific grant program guidelines that apply. Final claims for payment shall be submitted within six months of the grant agreement expiration date.

The following documentation is required to process a claim for reimbursement of project expenditures:

1. Copies of all contracts or agreements with contractors or service providers.
2. Completed department reimbursement forms. Completion instructions are included on the forms. For all grants, submit the following forms:  
[Form 8700-001, Request for Payment](#)  
[Form 8700-002, Payment Request Worksheet](#)  
[Form 9200-230, If Federal Fund](#), must be included with every reimbursement request
3. **Acceptable proofs of purchase must be submitted when requesting reimbursement of project expenditures.** Example: photocopies of the vendor invoices for services or materials and receipts for project materials. Invoices and checks combining costs for multiple grants must be explained so that the specific cost associated with each grant is identified.
4. **Proofs of payment documentation must be maintained within the**

**grantee's files in the event of an audit.** Example: photocopies of canceled checks (front and back) issued for payment of all services and materials, bank statements, -invoices marked "paid in full" with initials and date, and credit card statement charges showing charged item was paid in full; for local government grants, copies of municipal ledgers showing payments. As these records will be subject to open records law, please be sure to redact (blacken out) bank or credit card account numbers.

5. [Form 8700-352](#), **Local Government Force Account Report** . Use this form to report local government staff time paid with local government funds for the grant project. If using other daily tracking of paid staff time, report must identify the project name, name of staff member, professional title (if professional rate was paid), dates and nature of work performed, number of hours multiplied by wage/benefit rate, and total value of documented labor during that reimbursement request time period. **Report must be signed by staff member.**
6. [Form 8700-350](#), **Donated Professional Services Used as Grant Match.** **Form must be signed by donor.** Also acceptable, an invoice from donor identifying the project name, name of the donor, his/her professional title, dates services were performed, nature of services, number of hours multiplied by professional wage/benefit rate, and total value of the donation with signature of donor; or, invoice from donor with the information listed above, and a **signed statement from the donor** indicating the value of the services is donated to the project.
7. [Form 8700-362](#), **Donated Equipment or Equipment Usage Worksheet** identifying the project name, name of the donor, equipment use donated, dates and nature of work performed in relation to project, number of hours multiplied by WIDOT or documented market rate, and total value of the donation with signature of donor; or, invoice from donor with the information listed above, and a **signed statement from the donor** indicating the value of the services is donated to the project.
8. [Form 8700-349](#), **Donated Volunteer Labor Used as Grant Match** identifying the project name, name of volunteer, dates and nature of work performed in relation to the project, number of hours multiplied by \$12 per hour (max.), and total value of the donation. **Form must be signed by volunteer.**

## Depreciation

When a grantee buys equipment that will last for greater than one year and exceeds \$5,000 in cost, the total cost of that equipment is not counted as an immediate expense. Rather, the cost is spread out over several years based on the life of the equipment. This process is known as depreciation.

Example: Grantee buys a plate reader for water quality sampling at cost of \$5,500. The life of the plate reader is 10 years. Therefore, the amount that can be claimed each year in reimbursement request for a plate reader is \$550 (\$5,500 divided by 10 years = \$550 each year). If the life of the grant is 3 years, under this scenario, the grantee would be eligible to receive a total reimbursement of \$1,650 (\$550 x 3 years = \$1,650) towards the purchase of the plate reader.

Depreciation applies in the following cases:

- If the grantee is using equipment that the grantee owns
- If the grantee is accepting donations of equipment that have a value of \$5,000 or greater.

- If a piece of equipment is purchased at a cost exceeding \$5,000

For equipment with a value greater than \$1,000 and less than \$5,000, the grantee must maintain documentation in their file and make it available to the DNR upon request.

## **PROTECT CONFIDENTIAL DATA**

The Wisconsin Department of Natural Resources (DNR) takes seriously its responsibility to protect all confidential data that are collected as the DNR administers its programs. For DNR grant programs, “confidential data” typically includes:

- **Personal -- Social Security number, date of birth, driver’s license number, signature**
- **Financial -- Bank account numbers on cancelled checks and statements. Credit card numbers on submitted receipts. Account and credit balances or limits. Federal or Wisconsin tax returns.**

If a grant is being issued to an individual, we need most of the personal data listed above before we can issue payments or reimbursements. This needed data comes to the DNR on completed W-9 forms. The DNR will shred W-9 forms after verifying the data or maintain them in confidential files.

The DNR, however, is often sent *unnecessary* confidential data that are attached to proofs of payment, receipts, or other documents in support of a reimbursement request. Please protect confidential data by blackening out – also called “redacting” – bank account numbers, credit card account numbers, and other confidential data *before* proofs of payment are sent to the DNR. DNR staff will not redact confidential data before placing the document in public files. Please do not redact check numbers from bank statements.

## **Final Report Requirements**

All projects must result in a final report that is suitable for use by the general public. The final report must meet the criteria agreed to in the grant agreement and be approved by the regional AIS/Lake/River Coordinator prior to the final payment being disbursed.

## ***Send All Claims for Reimbursement to:***

The regional [Environmental Grant Specialist](#).

## **How Reimbursement Claims are Processed**

The regional [AIS/Lake/River Coordinator](#) reviews the final report for technical compliance with the project grant scope and approves the report. The Environmental Grant Specialist then reviews the reimbursement claim. If the claim for reimbursement is complete (including all required documentation) and in compliance with the project grant agreement, the Environmental Grant Specialist will approve the claim for reimbursement.

## Audits

The state has the right to audit or examine all books, papers, accounts, documents or other records of the Grantee as they relate to the project for which the specific grant program funds were granted.

The Grantee must retain all project records for a period of not less than 3 years after final payment or final disposition of audit findings.

The purpose of the audit is to check compliance with the terms of the grant agreement and verify that project expenditures were properly incurred and qualify for reimbursement or payment.

## Single Audit

Organizations, including Tribes, shall comply with annual Single Audit requirement as specified in 2 *CFR Part 200, Uniform Administrative Requirements, Cost Principles, & Audit Requirements*. The sponsor agrees to have an audit in accordance with Uniform Guidance if they expend \$750,000 or more in federal awards during the fiscal year

## When a Project is Not in Compliance with the Grant Agreement

If the Department finds that a project has not been satisfactorily completed by the expiration date of the grant agreement or that the Grantee has violated a term of the grant agreement, the Department may terminate the grant and seek reimbursement of any state share previously distributed to the Grantee.

## Filling out Payment Reimbursement Claim Worksheets

Make copies of the blank sheets before you get started. Fill out the worksheet first (DNR Form 8700-002). Fill out each line with as much detail as possible.

Make sure you have provided the required documentation for each line:

- ***Acceptable proofs of purchase must be submitted when requesting reimbursement of project expenditures.*** Example: photocopies of the vendor invoices for services or materials and receipts for project materials. Invoices and checks combining costs for multiple grants must be explained so that the specific cost associated with each grant is identified.
- Copies of bid proposals, professional service contracts, change orders, and authorized detailed force account time sheets or volunteer time sheets, if applicable.
- ***Proofs of payment documentation must be maintained within the grantee's files in the event of an audit.*** Example: A copy of both sides of the canceled check to pay that bill. If canceled checks aren't available, a copy of the appropriate bank or credit card statement may be substituted. Be sure to clearly highlight the transaction amount on the statement and to redact account numbers.

For land acquisition projects, you must also submit:

- A copy of the recorded grant agreement and the recorded deed at the Register of

Deeds with the new disclaimer inserted (see the financial section of the grant agreement).

- A copy of the title insurance or Opinion of Title
- A copy of the gap insurance

- A copy of the relocation cost statement, if applicable

**Filling out Payment  
Reimbursement  
Claim Form**

Total the appropriate columns on the worksheet and move the total to the reimbursement claim form. Be sure to indicate whether this is a partial or final payment request. (For Lake Planning, River Planning, and Clean Boats Clean Waters Grants, only an advance payment at the time of award and/or a one-time final pay request is possible.)

**Who to Contact with  
Questions**

Your regional Environmental Grant Specialist

